

# EXECUTIVE SUMMARY





July 1, 2013

The Honorable Knox H. White  
Members of City Council  
City of Greenville, South Carolina

Dear Mayor White and City Council Members:

It is a pleasure to present to the citizens of Greenville, members of City Council, and other interested readers the adopted FY 2013-14 operating budget for the City of Greenville, South Carolina. The budget for all funds is \$131,658,846 including a General Fund budget of \$67,707,670. This represents an overall budgetary decrease of 0.2% and a General Fund increase of 3.3% from the adopted FY 2012-13 operating budget. A summary of all funds is included at the end of the Executive Summary section.

#### FY 2012-13 Year-End Outlook

In looking ahead to FY 2013-14, it is important to consider where the City will finish in FY 2012-13. The current fiscal year continues to reflect an improving economy locally and nationally with a number of funds exceeding revenue expectations, including the General Fund.

In the General Fund, we are projecting to finish with a modest surplus of \$152,283 based on the most recent projections. The current amended FY 2012-13 budget contains a fund balance appropriation of \$1,922,727; so the modest surplus projection represents a significant positive budget variance. This is an improvement from the projections OMB presented during the CIP process (which anticipated a slight deficit of \$242,801). This improvement provides City Council with slightly more fund balance available to fund one-time projects or expenditures. As was initially proposed in the CIP process, the budget includes a \$1,857,032 fund balance appropriation in the General Fund for CIP projects and previously deferred capital equipment. It is important to note the General Fund's revenue is a projection, as the insurance business license is not received until late June.

General Fund Projection (March 2013)	
FY 12/13 Beginning Balance	17,602,287
Projected FY 12/13 Revenues	65,336,849
Projected FY 12/13 Expenditures	65,184,566
Projected FY 12/13 Surplus/(Deficit)	152,283
Projected FY 12/13 Ending Balance	17,754,570
20% Reserve Requirement	13,541,534
Amount Above/Below Requirement	4,213,036

#### FY 2013-14 Budget Principles

As anticipated performance in FY 2012-13 indicates, the local economy is continuing its recovery. While this is a positive development from the past several years, it challenges the City to begin to address deferred capital and the increasing cost of service delivery. As was discussed during the City Council retreat, the budget emphasizes the following principles:

- 1) Invest in people to retain talented employees and assure the organization has a quality workforce to do the public's business, especially as the City's workforce is being asked to do more with the same resources.
- 2) Reinvest in the City's infrastructure and equipment in a sustainable manner to protect our existing investments, avoid higher costs in the future, and provide greater budgetary flexibility in subsequent years.
- 3) Make targeted investments that provide Greenville with an even brighter future through economic development and productivity improvements.

Delivering a budget that balances these priorities for FY 2013-14 meant that there are few recommended service expansions or new positions. I believe, however, this is a prudent budget that will position us well for the future.

#### FY 2013-14 Revenues

In the General Fund, revenue growth is anticipated to be 1.4% from the FY 2012-13 adopted budget estimate. This includes a 3.3% increase in budgeted property tax revenues and a 2.7% increase in budgeted license and permit revenues. Both estimates are based on current year collections and assume modest growth in FY 2013-14. Other revenue categories such as fees and charges and court fines are expected to have little change from the FY 2012-13 adopted budget.

We have incorporated the Aid-to-Subdivision allocation as incorporated in the General Assembly's budget as of June 10. While a portion of fund balance is being used, the budget before you remains well above the existing 20% fund balance requirement.

#### FY 2013-14 Expenditures

The budget was impacted by several factors:

- *Merit Increase:* The budget includes a 3.0% pool for a merit increase effective October 1, 2013 for employees to remain market competitive and to retain a quality workforce. To pay for this, the City is implementing a 2.25% vacancy factor across all funds. I believe this is a conservative approach as the City's vacancy rate over the past three years has been approximately 4 to 5% annually. We will not implement the merit increase until October when the results from FY 2012-13 are completed and affirm our financial projections. In addition, the budget provides full-year funding for the mid-year 4.8% adjustment completed in FY 2012-13 to comply with the Public Employees Benefit Authority (PEBA) retirement requirements.
- *Pension Costs:* PEBA has announced an increase to the employer share of the Police Officers Retirement System (PORS). PORS contributions will increase from 12.3% to 12.84%.
- *Health Insurance:* The City received a 3.3% decrease in its health insurance premiums during its 2013 renewal, an unexpected benefit to the budget. In order to continue health insurance cost

FY 13/14 Beginning Balance	17,754,570
FY 13/14 Budget Revenues	65,850,638
FY 13/14 Budget Expenditures	67,707,670
Projected FY 13/14 Surplus/(Deficit)	(1,857,032)
Projected FY 13/14 Ending Balance	15,897,538
20% Reserve Requirement	13,541,534
Amount Above/Below Requirement	2,356,004

containment, the City has not included a premium increase in the budget. The City will explore self-insurance and pool options alongside its existing fully-insured model, as well as plan modifications, to minimize cost increases.

In addition, this budget works to implement the direction given by City Council at its retreat including:

- *Reinvest in Equipment:* The budget includes \$3,396,069 across all funds for vehicle and equipment replacement and acquisition. This amount includes \$2,041,556 in items paid from current revenues, including the new financing model of replacing fire apparatus with cash rather than debt. In order to address the size of the backlog, a fund balance appropriation of \$831,032 from the General Fund and \$500,644 from the Solid Waste Fund will address replacements that were deferred in the recession. The capital equipment budget includes \$1,493,234 in Police vehicles and equipment and \$655,500 in Fire vehicles and equipment.
- *Reinvest in Infrastructure:* The budget reflects the \$7,384,000 appropriation as incorporated in the CIP adopted concurrently with the budget on June 10. The CIP makes several steps to reinvest in the City's infrastructure including:
  - \$2,365,000 for wastewater rehabilitation projects.
  - \$632,000 to renovate the Poinsett Garage.
  - \$500,000 to replace and enhance the City's public safety camera system.
  - \$250,000 for street resurfacing.
  - \$181,000 to replace roofs at Municipal Court, the Public Works Center, and the Nicholtown Community Center.
  - \$180,000 for a new station alerting system in the City's fire stations.
- *Targeted Investments:* The budget includes funding to make investments that position Greenville for an even brighter future. These include:
  - \$410,000 for an Information Technology Improvement Program. This will enable the City to comprehensively identify and select solutions that improve the City's efficiency and effectiveness through an information technology governance process.
  - \$231,250 for the "Yeah, That Greenville" campaign to promote Greenville to visitors.
  - \$64,250 to expand the tuition reimbursement program to help assure the City has a well-trained and skilled workforce.
  - \$50,000 in consulting services and marketing funds for Economic Development.
  - \$50,000 to refresh the landscaping on I-385 to improve one of the City's major gateways.

#### FY 2014-15 and Beyond

While no immediate action needs to be taken, the City Council should be cognizant of several issues that may affect the City's financial position in future years.

- Legislative Changes to Revenue Structure: During the current session, staff has monitored legislation that would negatively impact business licenses, property tax assessments, and long-term debt financing. While we believe no bills will pass this year, we should anticipate future legislation that impacts our ability to manage our own affairs.
- Pension Costs: It is likely - as new accounting standards emerge - that the costs associated with the South Carolina Retirement System, the Police Officers Retirement System, and the Greenville City Firefighters Pension will continue to rise.

- SCDOT Reform: The current Secretary of Transportation has made clear the SC Department of Transportation (SCDOT) seeks to devolve more roads and road maintenance onto local governments. For example, we have been informed that SCDOT will no longer fund materials for projects the City undertakes to improve state roads.
- Wastewater Capacity: The City's aging wastewater system continues to pose challenges to the City's growth and development, especially as we reach capacity in certain sections of the City.
- Recreation District Consolidation: Discussions are ongoing between Greenville County and the Greenville County Recreation District about consolidating the Recreation District's operations under the County. We will monitor those discussions carefully so that any consolidation is beneficial to City residents.
- Fleet Review: As part of the FY 2012-13 budget, we funded a study of the City's fleet operations to identify opportunities to improve the City's efficiency and effectiveness in this key support function. It is likely that the implications of this study will have an impact on future operating and capital budgets.
- Fire Facilities: Over the past several years, we have discussed the need for a fire station to serve the easternmost sections of the City. In addition, the City has engaged an architect to comprehensively evaluate the condition and location of its other fire stations. While no costs have been determined yet, it is anticipated this will impact the budget in future years both from a capital and operating perspective.
- Public Works Relocation: In 2012, we purchased property on Fairforest Way as a first step to relocating Public Works out of its current location on Hudson Street. While a cost for a new facility is still being formulated, it is likely that an eventual relocation will have an impact on the City's future budgets.

#### Conclusion

The FY 2013-14 budget makes investments in our people, reinvests in infrastructure and equipment, and positions the City for an even brighter future through targeted investments. With your continued leadership, we can make Greenville an even greater community in which to live, work, and play.

Sincerely,



John F. Castile,  
City Manager

# EXECUTIVE SUMMARY

The expenditure budget for all funds is \$131,658,846 including a General Fund budget of \$67,707,670. This represents an overall budgetary decrease of 0.2% and a General Fund increase of 3.3% from the adopted FY 2012-13 operating budget. A summary of all funds outlining the changes is included at the end of the Executive Summary section.

## GENERAL FUND

The General Fund accounts for the revenues and expenditures necessary to carry out basic governmental activities of the City such as police patrol, fire protection, recreation, and legal and administrative services. All financial transactions not accounted for in other funds are recorded in the General Fund.

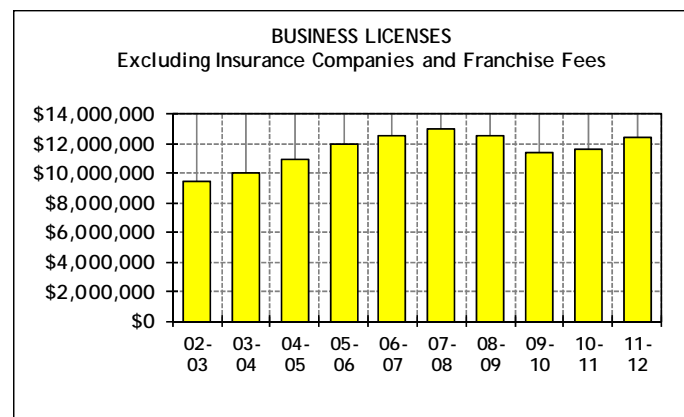
### General Fund Revenues

General Fund recurring revenues in FY 2013-14 are projected to be 1.4% more than the FY 2012-13 adopted budget. The budget also includes a fund balance appropriation of \$1,857,032 for capital projects and previously deferred capital equipment.

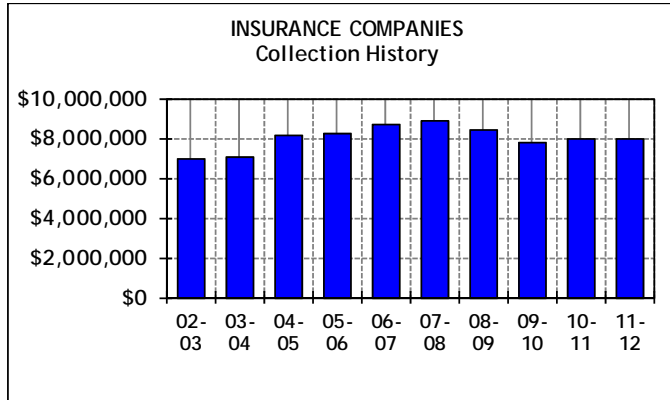
GENERAL FUND REVENUES	2010-11 Actual	2011-12 Actual	2012-13 Budget	2013-14 Budget	Percent Change
Taxes	\$ 28,077,058	28,263,770	28,215,751	29,145,520	3.3%
Licenses and Permits	25,889,416	27,084,896	27,367,175	28,106,514	2.7%
Intergovernmental	2,383,186	2,239,245	2,246,432	2,434,390	8.4%
Fees and Charges	765,997	835,664	770,500	778,800	1.1%
Fines and Costs	454,784	409,301	406,400	382,200	-6.0%
Other Revenue	1,073,970	1,085,727	1,044,930	1,018,232	-2.6%
Other Sources/Transfers	6,881,891	5,155,978	4,873,549	3,984,982	-18.2%
<b>TOTAL GEN. FUND REVENUES</b>	<b>\$ 65,526,302</b>	<b>65,074,581</b>	<b>64,924,737</b>	<b>65,850,638</b>	<b>1.4%</b>

Property taxes comprise 44.3% of all General Fund revenues (excluding fund balance appropriated) and represent the City's largest revenue source. The tax levy on a particular piece of property is determined by market value, assessment ratio, and millage rate. Market value is determined by the Greenville County Assessor's Office using a variety of factors such as size, condition, location, and recent selling prices of comparable properties. The assessment ratio is a percentage which is multiplied by the appraised market value of a property to determine the assessed value. Owner-occupied residences are assessed at 4%, commercial properties and motor vehicles at 6%, personal property at 10%, and industrial and utilities at 10.5%. The estimate for FY 2013-14 is \$29,145,520 based on improving real property assessments. This is 3.3% more than the FY 2012-13 property tax budget of \$28,215,751.

Licenses and permits represent the second largest revenue source for the City, comprising approximately 42.7% of all General Fund revenues (excluding fund balance appropriated). The most significant source is the business license tax, which is levied based upon each \$1,000 of gross



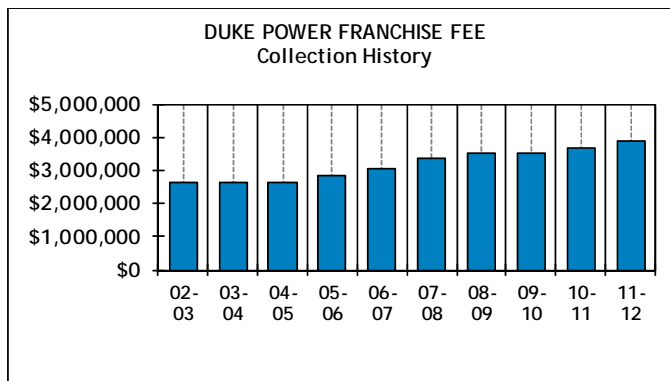
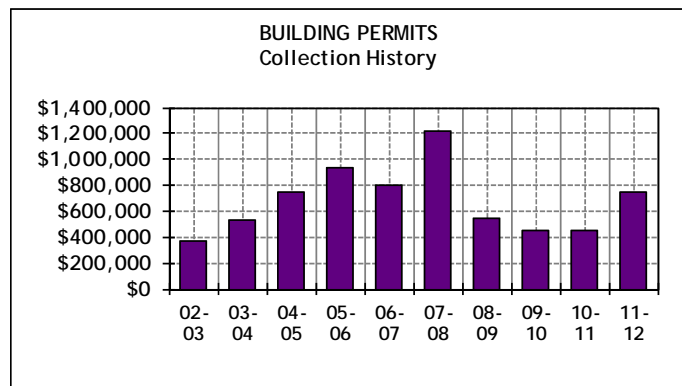
receipts, sales, or premiums of business conducted within the corporate limits of the City during the preceding calendar year. The projection of \$12,265,750 in business license receipts (excluding insurance companies and telecommunications) is 4.6% more than the FY 2012-13 adopted budget of \$11,724,750. Business licenses are among the most economically sensitive revenues. As the economy recovers, current year-to-date collections indicate that this revenue source is improving along with economic conditions.



Under the licenses and permits category, the City will also receive an estimated \$8,086,464 in revenue from businesses which generate health, life, and fire insurance premiums within the City. The revenue, which is based on a rate of .75% of gross premiums for life and health insurance, and 2.75% of gross premiums for fire insurance premiums, is collected on the City's behalf by the Municipal Association of South Carolina. The projection of \$8,086,464 recognizes a 2.3% decrease from the FY 2012-13 adopted budget of \$8,275,543. This reflects recent collections which occur after the budget is adopted, making

accurate projections difficult. In addition, the Municipal Association collects a telecommunications business license on behalf of the City. The City will receive an estimated \$768,000, an increase of \$16,000, or 2.1%, from the FY 2012-13 adopted budget of \$752,000. This is consistent with recent collections over the past three fiscal years.

Non-business permits, which include building and other permits, are collected from new construction and renovation projects. Recognizing the recovery of the building industry and local permit activity, non-business permits have a revenue estimate of \$1,269,300. This recognizes an increase of 26.8% from the FY 2012-13 adopted budget of \$1,001,300. This is consistent with current permit activity and anticipated construction projects in the next fiscal year.



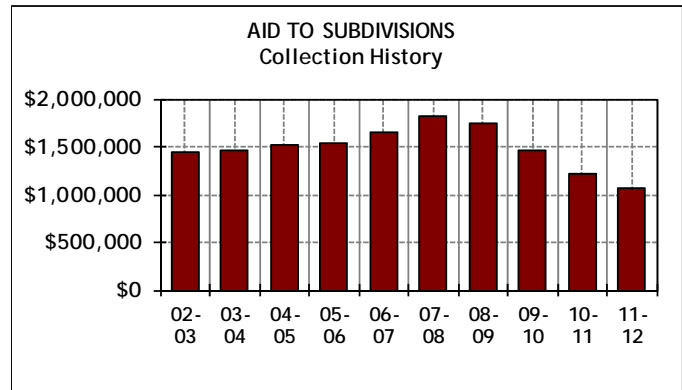
Other revenues in the licenses and permits category include franchise fees for electric, gas, and cable television. The rate structure is based upon a certain percentage of gross receipts in each case, and the basis of each forecast is trend analysis along with current market conditions. Projected revenues from all franchise fees are \$5,717,000 and include \$4,146,000 for Duke Energy collections. This represents an anticipated increase of \$103,418, or 1.8%, from the FY 2012-13 adopted budget of \$5,613,582. The primary reasons for the projected increase are increasing Duke and AT&T Video Service franchise fees.

**Intergovernmental revenue** includes grants and allocations from County, State, and Federal governments. State-shared revenue is generally distributed on a pro-rata basis according to population or other set formula. The single largest source is Aid-to-Subdivisions, distributed quarterly from the Local Government Fund and funded by a transfer of 4.5% of State General Fund revenues. Counties receive

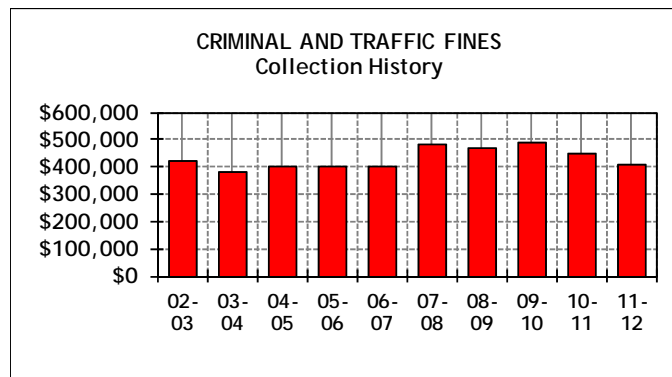


83.28% and municipalities 16.72% of the distribution. The revenue forecast from Aid-to-Subdivisions is expected to be \$1,269,414 for FY 2013-14. This recognizes the General Assembly's version of the State budget as of June 10 to suspend the distribution formula and keep allocations at FY 2012-13 levels.

In addition to receiving State Aid-to-Subdivisions, the City also receives an annual reimbursement in the amount of \$857,976 for the City's granted exemption of the Merchant's Inventory Tax from property taxation. This amount is based on the value of the City's merchant inventory when the value was frozen in 1987 and the tax was eliminated from the ad valorem process.



**Fees and charges** in the General Fund include plan reviews, alarm fees, fire protection fees, and various recreation fees. In FY 2013-14, revenues from these sources are estimated at \$778,800, an increase of 1.1% from the FY 2012-13 adopted budget of \$770,500. Fees are based on a fixed dollar rate, and the revenue forecast for these sources is based on historical trends. This revenue category has increased primarily due to increasing collections from plan review and false burglar alarm fees.



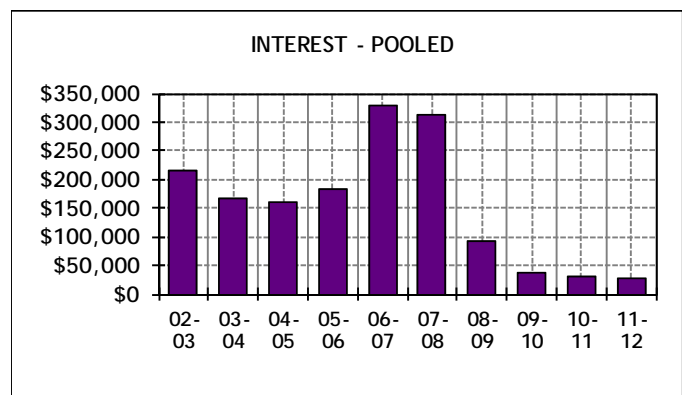
**Fines and forfeitures** consist of fines imposed and collected by the Municipal Court for misdemeanor crimes, moving traffic violations, and court costs. The forecast of \$382,200 is a decrease of \$24,200 from the FY 2012-13 figure of \$406,400. The 6.0% decrease is being driven by current year collections.

**Other revenues** include the sale of surplus equipment, external reimbursements, and interest earnings. In FY 2013-14, revenues from these sources are estimated to be \$1,018,232, a

decrease of 2.6% from the FY 2012-13 adopted budget. The City is forecasting interest earnings of \$20,000 based on trend analysis and anticipated actions by the Federal Reserve.

**Other sources and transfers** consist of interfund transfers and debt proceeds from planned capital leases. Interfund transfers are set up to transfer funds based on statutory requirement or to recover indirect costs rendered on the fund's behalf by the General Fund.

Additional background information on General Fund revenue sources may be found under the "Principal Revenue Sources" section in the Introduction following this budget overview.



**Fund balance appropriated** totals \$1,857,032.

This is for one-time expenditures related to addressing the City's capital equipment and vehicle backlog (\$831,032). In addition, \$1,026,000 in fund balance appropriated is for non-recurring capital projects. Fund balance is not being used for recurring expenditures.

**General Fund Expenditures**

A summary of General Fund expenditures for FY 2013-14 is shown in the following table along with the percent change from the adopted FY 2012-13 operating budget. Total expected expenditures for FY 2013-14 are above budgeted expenditures for FY 2012-13 by 3.3%.

GENERAL FUND EXPENDITURES	2010-11 Actual	2011-12 Actual	2012-13 Budget	2013-14 Budget	Percent Change
Legislative and Administrative	\$ 3,382,595	3,602,705	3,761,396	3,872,506	3.0%
Non-Departmental	1,024,626	1,312,264	1,355,300	1,911,490	41.0%
Public Information and Events	897,113	945,455	934,364	955,987	2.3%
Economic and Community Dev.	2,278,575	2,061,979	2,283,677	2,492,579	9.1%
Human Resources	1,156,664	1,355,130	1,399,111	1,431,269	2.3%
Office of Management and Budget	4,410,272	4,855,286	4,734,300	4,742,270	0.2%
Police Department	18,575,146	18,629,220	19,223,547	20,131,676	4.7%
Fire Department	12,012,880	11,934,343	11,390,233	11,581,624	1.7%
Public Works Department	7,508,112	7,897,487	8,240,166	8,323,847	1.0%
Parks and Recreation	6,122,581	6,220,097	7,090,840	7,184,599	1.3%
<b>SUBTOTAL, GEN FUND EXPEND.</b>	<b>\$ 57,368,564</b>	<b>58,813,966</b>	<b>60,412,934</b>	<b>62,627,847</b>	<b>3.7%</b>
Transfers	\$ 3,294,137	2,972,704	3,416,237	3,513,450	2.8%
Debt Service	4,061,209	1,615,771	1,695,566	1,566,373	-7.6%
<b>TOTAL GEN. FUND EXPEND.</b>	<b>\$ 64,723,910</b>	<b>63,402,441</b>	<b>65,524,737</b>	<b>67,707,670</b>	<b>3.3%</b>
Fund Balance Accumulated/ (Appropriated)	\$ 802,392	1,672,140	(600,000)	(1,857,032)	

**Funding Highlights****General**

- Builds a budget that:
  - 1) Invests in people to attract and retain a quality workforce.
  - 2) Reinvests in the City's existing equipment and infrastructure.
  - 3) Makes targeted investments to provide Greenville an even better future.

**Personnel Changes**

- A 3.0% compensation pool for a merit adjustment is included to maintain the City's competitive position in recruiting and retaining employees. The merit adjustments will be paid with a 2.25% vacancy factor across all funds.
- A net increase of 16 positions across all funds is included in the budget with a net decrease of 0.5 positions in General Fund.
- Incorporates increases in the employer contribution to the Police Officers Retirement System (PORS) from 12.3% to 12.84%.
- Assumes no increase in health insurance premiums for employees. The City will explore self-insurance and pool options alongside its existing fully-insured model, as well as plan modifications, to minimize cost increases.

- Includes full-year funding for the mid-year 4.8% compensation adjustment completed in FY 2012-13 to comply with PEBA retirement contribution requirements.

## Departmental Highlights

### City Attorney

- Includes \$6,560 to upgrade the City's defense attorney software to assist in case processing in Municipal Court.

### Municipal Court

- Includes \$25,630 to convert a part-time Court Services Associate to full-time status.

### City Manager

- The *City Clerk's Office* budget includes \$22,500 to recodify the City Code.
- The *Non-Departmental* budget includes a \$1,967,308 transfer to the Solid Waste Fund, a \$619,100 contribution for the City's post-employment medical benefit liability, and \$78,000 for Verdae public improvements. It also includes \$180,000 for annexation agreements with the Wade Hampton and Parker Fire and Sewer Districts.
- Also included in the *Non-Departmental* budget is \$410,000 for an Information Technology Improvement Program. This will allow the City to comprehensively select and identify technology improvements that can improve the City's efficiency and effectiveness.
- In the *General Debt Service* budget, the projected annual debt service payments are \$1,566,373.

### Public Information and Events

- In the *Public Information* budget, two camcorders are replaced at a cost of \$10,000.

### Economic Development

- The *Economic Development* budget includes \$25,000 for marketing and \$25,000 for economic development consulting services. In addition, \$10,000 is included for holiday decorations.

### Human Resources

- The *Human Resources* budget includes \$64,250 increase in the tuition reimbursement program based on increased utilization and \$15,000 for temporary services.

### Office of Management and Budget

- In *Information Technology*, \$14,500 is included to rewrite the MapIt software.

### Police Department

- In the *Operations and Support Divisions*, \$1,340,234 is included to replace 41 vehicles and \$153,000 is included to replace 30 mobile data terminals.

- In the *Support Division*, an additional \$5,000 is included to support vice enforcement and property crime investigations.

### Fire Department

- The *Fire Suppression* budget includes \$550,000 to replace a pumper funded from current revenues.
- In the *Fire Services* budget, \$5,000 is included for a Fire Citizens Academy.

### Public Works

- An increase of \$76,500 in electricity costs is reflected in the *Traffic Engineering* budget for increased costs to Duke Energy for additional streetlights and streetlight rate increases.
- The *Trolley* budget is discontinued in the General Fund. Trolley operations will now be provided by Greenlink with funding from the City and the Greenville Transit Authority.

### Parks and Recreation

- The *Administration* budget includes \$25,000 for the construction of bicycle lanes and \$10,000 for urban design services.
- The *Athletic Programs* and *Community Centers* budgets have been consolidated into a single *Recreation* budget.
- In the *Beautification* budget, \$50,000 is included to refresh landscaping on I-385.

## Internal Service Funds

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City on a cost reimbursement basis. The City has established Internal Service Funds for fleet services and risk management. The Health Benefits Fund was discontinued after FY 2010-11. The following table provides the projected operating results for these funds. Detailed operating statements for each of the Internal Service Funds are presented in the Internal Service Funds section of the budget.

	Risk Management	Fleet Services
Revenues	\$2,260,074	\$4,975,550
Expenses	2,260,074	4,975,550
Net Income	\$0	\$0

### Risk Management

The Risk Management Fund accounts for all financial activities related to workers' compensation, automobile liability, general liability, public officials liability, law enforcement liability, and automobile physical damage. The City self-funds all workers' compensation losses up to \$550,000 per occurrence for public safety and \$400,000 per occurrence for all other employees. In addition, the City maintains a self-insured retention of \$100,000 for automobile liability, general liability, law enforcement liability, and public officials' liability. Program expenses and reserve requirements are allocated to the operating agencies. The FY 2013-14 expense budget is \$2,260,074, an increase of 1.8% from FY 2012-13.

## Fleet Services

The Fleet Services Fund is used to account for the maintenance of the City's rolling stock. Costs related to repairs, parts, and fuel are charged back to the departments that use those products and services. The goal is to encourage more economical use of the City's vehicles to encourage fuel conservation and to provide a total cost of operating a department. In FY 2013-14, the expense budget is \$4,975,550, a decrease of 1.5% from the FY 2012-13 budget.

## Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources that are restricted by law or administrative action to expenditures for specific purposes. Annual budgets are established for the following special revenue funds: Community Development, HOME Program, HOPWA Program, Hospitality Tax, Sunday Alcohol Permits, State Accommodations Tax, Local Accommodations Tax, Admissions Tax, Victim Witness, and Utility Undergrounding.

### Community Development

The Community Development Fund is used to record receipts and expenditures of Community Development Block Grant funds which are used to fund improvements and activities in low to moderate income neighborhoods. The budget for FY 2013-14 is \$786,945.

### HOME Program

The HOME Program Fund is used to record financial activities related to the HOME Program grant. This federal program aims to expand the supply of decent affordable housing for low-income citizens. The budget for FY 2013-14 is \$218,606.

### HOPWA

The Housing Opportunities for Persons with AIDS (HOPWA) program provides housing assistance to persons with HIV/AIDS. This program is administered through a contract with the State of South Carolina. The budget for FY 2013-14 is \$282,356.

### Hospitality Tax

The City has a 2% local hospitality tax on prepared meals and beverages in the City, and the proceeds are used for tourist-related improvements and facilities as required by State law. Hospitality Tax revenue is estimated to be \$7,825,000, an increase of \$625,000 or 8.7% from the FY 2012-13 Adopted Budget. The FY 2013-14 estimate is based on current collections in FY 2012-13. The FY 2013-14 budget provides for \$2,581,000 for capital projects; the transfer of \$2,380,416 to the General Fund; \$2,347,125 for debt service; a transfer of \$936,998 to the TD Convention Center; and \$395,127 to the Zoo Enterprise Fund.

### Sunday Alcohol Permits

After a favorable referendum vote, permits are issued by the State for the sale of alcoholic beverages on Sunday. Proceeds from these permits are disbursed to the City. The revenue may be used only for certain purposes, including tourism-related capital improvements and festivals having a demonstrable impact on tourism. The revenue estimate of \$246,200 for FY 2013-14 is based on the issuance of 82 annual permits at \$3,000 each and \$200 in interest earnings. Expenditures in FY 2013-14 include \$75,000 for Art in Public Places, \$40,000 for capital projects, and \$20,000 for a City Council reserve.

### State Accommodations Tax

The State Accommodations Tax Fund is used to record the allocations of a 2% tax imposed on all accommodations by the State. Revenue collected from the tax is divided among localities based on the amount of revenue generated within each jurisdiction. The proceeds must be spent for tourism promotion and related expenditures. State Accommodations Tax revenue is estimated to be \$1,488,000, an increase of \$158,000, or 11.9%, from the FY 2012-13 Adopted Budget. The FY 2013-14 budget estimate is based on current collections. The budget includes a transfer of \$98,150 to the General Fund and \$438,900 to the Convention and Visitors Bureau for tourism promotion as required by State law. Of the remaining discretionary amount, \$50,000 is set aside per the City's Grant-in-Aid policy, and \$880,000 is provided for tourism-related expenditures.

### Local Accommodations Tax

The Local Accommodations Tax represents a 3% levy that is collected from accommodation facilities located within the locality's jurisdiction. Of this amount, 2.3% of the fee is for debt service payments for the Bi-Lo Center and other tourism-related expenditures, and the remaining 0.7% is dedicated to the Convention and Visitors Bureau for tourism promotion. Local Accommodations Tax revenue is estimated to be \$2,502,250, an increase of \$255,750, or 11.4%, from the FY 2012-13 Adopted Budget. The FY 2013-14 budget estimate is based on current collections. Based on these commitments, the FY 2013-14 Budget allocates the revenue as follows: \$1,453,643 to the Bi-Lo Center; \$560,640 to the Convention and Visitors Bureau; \$450,000 to the TD Convention Center Fund for capital projects and furnishing, fixtures, and equipment; and \$23,360 to the General Fund for collection costs.

### Admissions Tax

The Tourism Infrastructure Admissions Tax Act allows 50% of the State Admissions Tax to be directed to qualified tourism establishments for the purpose of public infrastructure improvements. Of this amount, half is directed to the municipality where the facility is located and half is placed in a special fund to be distributed based on an application made by the local government. The City has two qualifying facilities - the Bi-Lo Center and Fluor Field. The budget for FY 2013-14 is \$266,000.

### Victim Witness

The Victim Witness Fund is used to record receipts from special court revenues and incur expenditures related to the victim assistance program. The FY 2013-14 revenue estimate is \$100,642 based on current year collections and includes a \$20,142 General Fund transfer to maintain services. FY 2013-14 budgeted expenditures are \$113,025 and are related to two victim witness advocates.

### Utility Undergrounding

The Utility Undergrounding Fund is used to account for costs related to burying utility lines in the municipal limits. It is funded by a 1% franchise fee on Duke Energy use in the City. A match from Duke equal to 0.5% of its gross receipts subject to the franchise fee will be provided as projects get underway. The revenue estimate for FY 2013-14 is \$1,051,000.

## Enterprise Funds

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises. The intent is that the costs of providing goods or services to the general public and other local governments on a continuing basis will be financed or recovered primarily through

user charges. Annual budgets are established for Parking, Greenville Zoo, TD Convention Center, Stormwater, Wastewater, Solid Waste, Transit, and Event Management.

### **Event Management**

In FY 2009-10, the City assumed management of events formerly run by Main Street Events. The Event Management Fund was set up to record revenues and expenses related to the management of those events. The expense budget for FY 2013-14 is \$576,811.

### **TD Convention Center**

An enterprise fund was established in FY 2001-02 to account for the revenues and expenses associated with the TD Convention Center. Operating revenues are projected to be \$5,124,548 in FY 2013-14. Projected operating expenses, capital, and debt service total \$6,907,495. To offset the operating deficit and debt service costs, the City is transferring \$936,998 from the Hospitality Tax Fund. In addition, a \$450,000 transfer from the Local Accommodations Tax Fund is made for capital projects and furnishings, fixtures, and equipment replacement.

### **Wastewater**

A wastewater fee finances the wastewater operation which is increased by 5.0% in FY 2013-14. The fee is based on meter size, and ranges from a monthly charge of \$4.34 for residential users that consume less than 3,000 gallons of water to \$1,159.65 for an 8" connection. Based on historical trends and a relatively fixed number of commercial and residential units in the City, this revenue source is projected at \$4,275,000 for FY 2013-14. The Wastewater operating budget is \$2,573,360. Debt service consists of \$883,255 in principal and interest payments. The budget includes \$2,365,000 in capital projects and a \$225,000 General Fund transfer for support services rendered by the General Fund.

### **Solid Waste**

The City accounts for solid waste collection, recycling, and maintenance of the former City landfill through an enterprise fund. Operating revenues include \$2,539,000 generated by the solid waste fee and \$234,000 provided by the sale of recyclables. The solid waste fee is \$13.50 per month. Operating expenses are \$5,240,952. The fund is subsidized by a General Fund transfer of \$1,967,308.

### **Stormwater Management**

Stormwater fees are levied to support the stormwater management program. The fee is based on impervious surface areas of residential and commercial property. Effective for 2013-14, the basic rate structure is \$38.79 per year for developed residential with an impervious area of 1,640 sq. ft. or less, \$68.10 per year for developed residential with an impervious area of greater than 1,640 sq. ft., and \$68.10 for developed commercial/industrial property for each equivalent residential unit. The FY 2013-14 revenue estimate of \$4,900,000 is based on a combination of the rate structure and calculated impervious area in the City. Budgeted operating expenses for FY 2013-14 are \$2,821,470. Also included is \$467,000 for capital projects, \$341,801 for a General Fund transfer for support services rendered by the General Fund, and \$301,136 for funding principal and interest payments associated with debt issues.

### **Parking**

Parking fees support the operations of the City's parking facilities. There are 10 parking garages and 3 parking lots providing approximately 6,500 spaces. Parking garage rates are \$69.70 for monthly parkers and \$.75 to \$6.00, respectively, for hourly and daily parkers. Monthly rates for the three primary parking lots, which provide 190 spaces, range from \$41.50 to \$51.80. Volume discounts are also available for bulk

users. The projected parking revenue estimate of \$5,983,090 in FY 2013-14 is based on the number of available spaces, current monthly and daily rates, and occupancy rate estimates, as well as interest income and transfers. Projected expenses for all parking facilities total \$6,027,561. Of the \$6,027,561 in expenses, \$2,533,379 is for servicing debt, \$2,488,506 is for general parking operations, \$373,676 for the General Fund transfer for support services rendered by the General Fund, and \$632,000 is for capital improvements.

### **Greenville Zoo**

The City accounts for the activities of the Greenville Zoo through an enterprise fund. The FY 2013-14 expense budget of \$2,678,078 is supported by revenues from admissions, gate and concession sales, membership fees, and a transfer from the Hospitality Tax Fund of \$395,127. Two positions are added in the FY 2013-14 budget in Public Services. In addition, a rate increase for admission is included in the budget.

### **Transit**

In FY 2007-08, the City assumed day-to-day management of transit operations in the Greenville area. Contracting with the Greenville Transit Authority (GTA), the City provides fixed route, demand response, and maintenance functions. The Transit Fund is used to record the receipt of contract revenues from GTA and to recognize expenses associated with operations. Two new divisions have been added to reflect additional services: Trolley and Clemson Shuttle. The budget for FY 2013-14 is \$4,894,700 and includes 10.5 new positions.

## **Tax Increment Funds**

The City of Greenville has issued tax increment bonds as a means of financing capital projects in specific redevelopment areas. Funds for each redevelopment area are accounted for in their own special revenue fund.

### **Downtown Infrastructure Fund**

The Downtown Infrastructure Fund is a tax increment fund established in 1987 to account for the retirement of principal and interest on tax increment revenue bonds issued by the City for various improvements in the Central Business District. In FY 2013-14, \$2,797,295 in debt service payments are budgeted. In addition, a transfer of \$492,066 to the General Fund is included to support long-term maintenance of infrastructure improvements. The fund also includes \$827,000 in capital projects and \$100,000 for the downtown office recruiting initiative.

### **West End Tax Increment**

A tax increment fund was established in 1991 to account for the retirement of principal and interest on tax increment revenue bonds issued by the City for various improvements in the West End District. In FY 2013-14, \$267,281 in debt service payments and fiscal agent fees are budgeted.

### **Viola Street Tax Increment**

A tax increment fund was established in 1998 to account for the retirement of principal and interest on tax increment revenue bonds issued by the City for various improvements in the Viola Street neighborhood. In FY 2013-14, \$426,000 is budgeted for capital projects.



# SUMMARY OF ALL FUNDS

	2010-11 Actual	2011-12 Actual	2012-13 Budget	2013-14 Budget	Percent Change
<b><u>GENERAL FUND</u></b>					
Revenues					
Taxes	\$ 28,077,058	28,263,770	28,215,751	29,145,520	3.3%
Licenses and Permits	25,889,416	27,084,896	27,367,175	28,106,514	2.7%
Intergovernmental	2,383,186	2,239,245	2,246,432	2,434,390	8.4%
Fees and Charges	765,997	835,664	770,500	778,800	1.1%
Fines and Costs	454,784	409,301	406,400	382,200	-6.0%
Other Revenue Sources	1,073,970	1,085,727	1,044,930	1,018,232	-2.6%
Other Sources/Transfers	6,881,891	5,155,978	4,873,549	3,984,982	-18.2%
<b>TOTAL GENERAL FUND REVENUES</b>	<b>65,526,302</b>	<b>65,074,581</b>	<b>64,924,737</b>	<b>65,850,638</b>	<b>1.4%</b>
Expenditures					
Legislative and Administrative	3,382,595	3,602,705	3,761,396	3,872,506	3.0%
Non-Departmental	1,024,626	1,312,264	1,355,300	1,911,490	41.0%
Public Information and Events	897,113	945,455	934,364	955,987	2.3%
Economic and Community Dev.	2,278,575	2,061,979	2,283,677	2,492,579	9.1%
Human Resources	1,156,664	1,355,130	1,399,111	1,431,269	2.3%
Office of Management and Budget	4,410,272	4,855,286	4,734,300	4,742,270	0.2%
Police Department	18,575,146	18,629,220	19,223,547	20,131,676	4.7%
Fire Department	12,012,880	11,934,343	11,390,233	11,581,624	1.7%
Public Works Department	7,508,112	7,897,487	8,240,166	8,323,847	1.0%
Parks and Recreation	6,122,581	6,220,097	7,090,840	7,184,599	1.3%
Transfers	3,294,137	2,972,704	3,416,237	3,513,450	2.8%
Debt Service	4,061,209	1,615,771	1,695,566	1,566,373	-7.6%
<b>TOTAL GENERAL FUND EXP.</b>	<b>64,723,910</b>	<b>63,402,441</b>	<b>65,524,737</b>	<b>67,707,670</b>	<b>3.3%</b>
<b>REVENUES LESS EXPENDITURES</b>	<b>\$ 802,392</b>	<b>1,672,140</b>	<b>(600,000)</b>	<b>(1,857,032)</b>	
<b><u>INTERNAL SERVICE FUNDS</u></b>					
Revenues/Transfers In					
Health Benefits	\$ 9,470,723	0	0	0	0.0%
Risk Management	2,377,082	2,309,766	2,219,097	2,260,074	1.8%
Fleet Services	4,226,276	4,602,388	5,050,366	4,975,550	-1.5%
<b>TOTAL REVENUES/TRANSFERS IN</b>	<b>16,074,081</b>	<b>6,912,154</b>	<b>7,269,463</b>	<b>7,235,624</b>	<b>-0.5%</b>
Expenses/Transfers Out					
Health Benefits	9,631,201	0	0	0	0.0%
Risk Management	2,122,065	2,391,035	2,219,097	2,260,074	1.8%
Fleet Services	4,205,310	4,602,388	5,050,366	4,975,550	-1.5%
<b>TOTAL EXP./TRANSFERS OUT</b>	<b>15,958,576</b>	<b>6,993,423</b>	<b>7,269,463</b>	<b>7,235,624</b>	<b>-0.5%</b>
<b>REVENUES LESS EXPENSES</b>	<b>\$ 115,505</b>	<b>(81,269)</b>	<b>0</b>	<b>0</b>	

	2010-11 Actual	2011-12 Actual	2012-13 Budget	2013-14 Budget	Percent Change
<b>SPECIAL REVENUE FUNDS</b>					
Revenues/Transfers In					
Community Development	\$ 1,506,258	1,165,176	826,844	784,834	-5.1%
HOME Program	173,923	652,735	239,388	218,606	-8.7%
HOPWA Program	0	0	297,217	282,356	-5.0%
Hospitality Tax	25,446,014	7,313,648	7,375,000	7,850,000	6.4%
Sunday Alcohol Permits	239,603	279,509	240,300	246,200	2.5%
State Accommodations Tax	1,240,957	1,355,905	1,330,500	1,488,000	11.8%
Local Accommodations Tax	2,021,929	2,254,208	2,246,500	2,502,250	11.4%
Admissions Tax	245,383	311,353	246,000	311,000	26.4%
Victim Witness	74,154	83,575	112,351	100,642	-10.4%
Utility Undergrounding	924,337	974,350	996,000	1,051,000	5.5%
<b>TOTAL REVENUES/TRANSFERS IN</b>	<b>31,872,558</b>	<b>14,390,459</b>	<b>13,910,100</b>	<b>14,834,888</b>	<b>6.6%</b>
Expenditures/Transfers Out					
Community Development	1,455,484	1,229,120	826,844	786,945	-4.8%
HOME Program	171,036	653,819	239,388	218,606	-8.7%
HOPWA Program	0	0	297,217	282,356	-5.0%
Hospitality Tax	24,589,209	7,496,510	7,760,509	8,740,666	12.6%
Sunday Alcohol Permits	238,300	289,833	140,000	135,000	-3.6%
State Accommodations Tax	1,195,946	1,324,981	1,310,500	1,467,050	11.9%
Local Accommodations Tax	1,547,994	1,642,749	1,664,172	2,487,643	49.5%
Admissions Tax	247,664	266,177	200,000	266,000	33.0%
Victim Witness	104,873	108,420	111,709	113,025	1.2%
Utility Undergrounding	229,615	487,033	996,000	1,051,000	5.5%
<b>TOTAL EXP./TRANSFERS OUT</b>	<b>29,780,121</b>	<b>13,498,642</b>	<b>13,546,339</b>	<b>15,548,291</b>	<b>14.8%</b>
<b>REVENUES LESS EXPENDITURES</b>	<b>\$ 2,092,437</b>	<b>891,817</b>	<b>363,761</b>	<b>(713,403)</b>	
<b>ENTERPRISE FUNDS</b>					
Revenues/Transfers In					
Event Management	\$ 508,264	547,179	601,875	587,500	-2.4%
TD Convention Center	7,149,626	6,488,930	6,366,389	6,907,495	8.5%
Wastewater	3,866,916	4,380,220	5,093,000	5,836,000	14.6%
Solid Waste	5,571,165	4,990,141	5,034,686	4,740,308	-5.8%
Stormwater Management	4,584,037	4,747,188	4,661,000	4,912,000	5.4%
Greenville Zoo	2,308,574	2,525,026	2,485,697	2,606,116	4.8%
Parking	6,454,250	6,240,510	6,955,526	5,983,090	-14.0%
Transit	3,410,178	3,438,844	4,116,521	4,894,700	18.9%
<b>TOTAL REVENUES/TRANSFERS IN</b>	<b>33,853,010</b>	<b>33,358,038</b>	<b>35,314,694</b>	<b>36,467,209</b>	<b>3.3%</b>
Expenses/Transfers Out					
Event Management	503,125	548,947	600,487	576,811	-3.9%
TD Convention Center	5,642,094	6,290,469	6,366,389	6,907,495	8.5%
Wastewater	3,308,592	3,627,496	6,224,782	6,046,615	-2.9%
Solid Waste	4,790,647	4,568,828	5,559,618	5,240,952	-5.7%
Stormwater Management	3,142,963	3,515,365	6,135,757	3,931,407	-35.9%
Greenville Zoo	2,383,437	2,299,556	2,485,697	2,678,078	7.7%
Parking	5,485,185	5,458,219	6,883,792	6,027,561	-12.4%
Transit	3,409,632	3,434,834	4,116,521	4,894,700	18.9%
<b>TOTAL EXP./TRANSFERS OUT</b>	<b>28,665,675</b>	<b>29,743,714</b>	<b>38,373,043</b>	<b>36,303,619</b>	<b>-5.4%</b>
<b>REVENUES LESS EXPENSES</b>	<b>\$ 5,187,335</b>	<b>3,614,324</b>	<b>(3,058,349)</b>	<b>163,590</b>	

	2010-11 Actual	2011-12 Actual	2012-13 Budget	2013-14 Budget	Percent Change
<b>TAX INCREMENT FUNDS</b>					
Revenues/Transfers In					
Downtown Infrastructure	\$ 6,904,167	22,705,034	6,210,000	6,903,000	11.2%
West End Tax Increment	1,258,653	1,200,123	1,012,000	1,179,000	16.5%
Viola Street Tax Increment	458,367	439,896	406,000	459,000	13.1%
<b>TOTAL REVENUES/TRANSFERS IN</b>	<b>8,621,187</b>	<b>24,345,053</b>	<b>7,628,000</b>	<b>8,541,000</b>	<b>12.0%</b>
Expenditures/Transfers Out					
Downtown Infrastructure	5,561,467	25,050,393	6,668,450	4,281,361	-35.8%
West End Tax Increment	1,300,683	1,451,660	283,164	156,281	-44.8%
Viola Street Tax Increment	45,388	43,599	244,792	426,000	74.0%
<b>TOTAL EXP./TRANSFERS OUT</b>	<b>6,907,538</b>	<b>26,545,652</b>	<b>7,196,406</b>	<b>4,863,642</b>	<b>-32.4%</b>
<b>REVENUES LESS EXPENDITURES</b>	<b>\$ 1,713,649</b>	<b>(2,200,599)</b>	<b>431,594</b>	<b>3,677,358</b>	
<b>TOTALS - ALL FUNDS</b>					
(Memorandum only)					
Revenues	\$ 155,947,138	144,080,285	129,046,994	132,929,359	3.0%
Expenditures	146,035,820	140,183,872	131,909,988	131,658,846	-0.2%
<b>REVENUES LESS EXPENDITURES</b>	<b>\$ 9,911,318</b>	<b>3,896,413</b>	<b>(2,862,994)</b>	<b>1,270,513</b>	

## STATEMENT OF CHANGES IN GOVERNMENTAL FUND BALANCES

	FY 2012-13				FY 2013-14		
Fund Name	Fund Balance at 6/30/12 per CAFR	Budgeted Revenues/ Transfers In	Budgeted Expenditures/ Transfers Out	Budgeted Fund Balance at 6/30/13	Budgeted Revenues/ Transfers In	Budgeted Expenditures/ Transfers Out	Budgeted Fund Balance at 6/30/14
<b>Total General</b>	<b>17,602,287</b>	<b>64,924,737</b>	<b>65,524,737</b>	<b>17,002,287</b>	<b>65,850,638</b>	<b>67,707,670</b>	<b>15,145,255</b>
Community Development	81,946	826,844	826,844	81,946	784,834	786,945	79,835
HOME Program	124,998	239,388	239,388	124,998	218,606	218,606	124,998
HOPWA Program	-	297,217	297,217	-	282,356	282,356	-
Hospitality Tax	5,117,255	7,375,000	7,760,509	4,731,746	7,850,000	8,740,666	3,841,080
Sunday Alcohol Permits	163,700	240,300	140,000	264,000	246,200	135,000	375,200
State Accommodations	169,592	1,330,500	1,310,500	189,592	1,488,000	1,467,050	210,542
Local Accommodations	1,249,687	2,246,500	1,664,172	1,832,015	2,502,250	2,487,643	1,846,622
Admissions Tax	156,769	246,000	200,000	202,769	311,000	266,000	247,769
Victim Witness	11,741	112,351	111,709	12,383	100,642	113,025	-
Utility Undergrounding	2,172,422	996,000	996,000	2,172,422	1,051,000	1,051,000	2,172,422
<b>Total Special Revenue</b>	<b>9,248,110</b>	<b>13,910,100</b>	<b>13,546,339</b>	<b>9,611,871</b>	<b>14,834,888</b>	<b>15,548,291</b>	<b>8,898,468</b>
Downtown Infrastructure	2,895,164	6,210,000	6,668,450	2,436,714	6,903,000	4,281,361	5,058,353
West End Tax Increment	758,807	1,012,000	283,164	1,487,643	1,179,000	156,281	2,510,362
Viola St. Tax Increment	1,349,752	406,000	244,792	1,510,960	459,000	426,000	1,543,960
<b>Total Tax Increment</b>	<b>5,003,723</b>	<b>7,628,000</b>	<b>7,196,406</b>	<b>5,435,317</b>	<b>8,541,000</b>	<b>4,863,642</b>	<b>9,112,675</b>
<b>Total Governmental Funds Appropriated</b>	<b>31,854,120</b>	<b>86,462,837</b>	<b>86,267,482</b>	<b>32,049,475</b>	<b>89,226,526</b>	<b>88,119,603</b>	<b>33,156,398</b>

